

Article 26: Compensation that facilitates flourishing

UAUO Bargaining Team

This version October 1, 2024

University of Oregon 2024 Strategic Planning Update

UO Board of Trustees

September 16, 2024



Flourishing Community

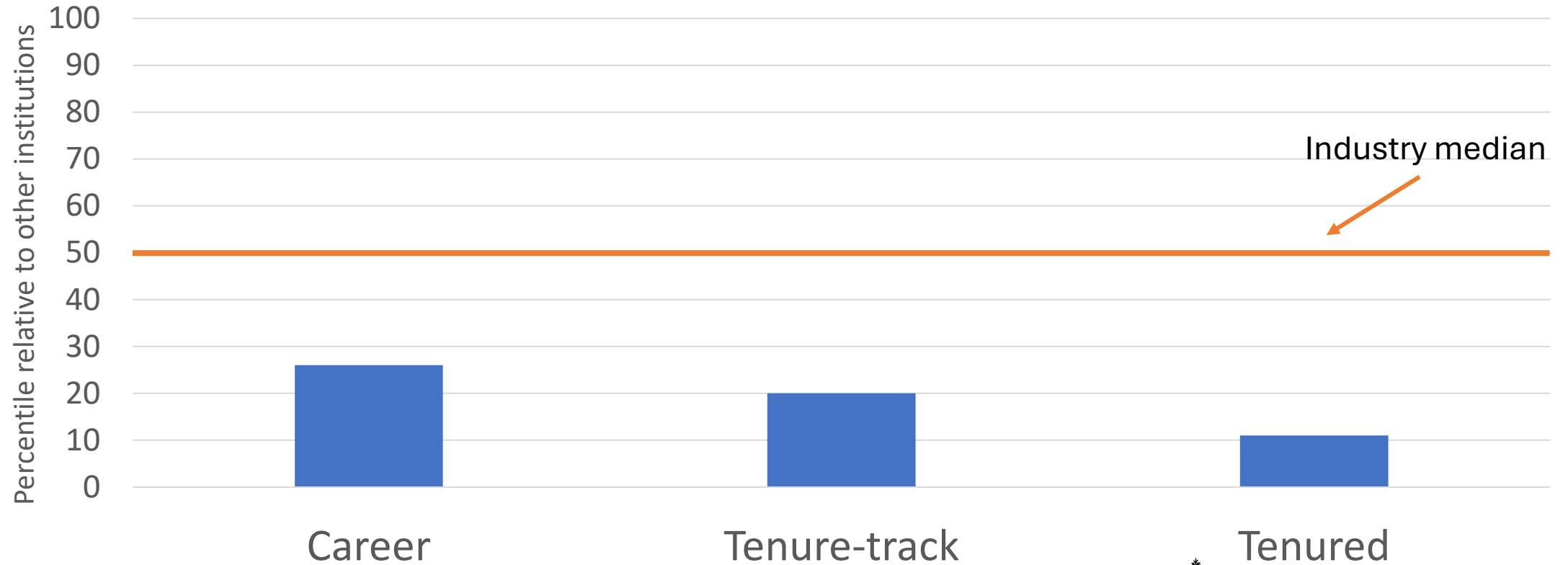
How do we define “flourishing” at the UO?

Flourishing is the holistic development and thriving of every individual in our diverse community achieved through growth, well-being, resilience, trust, belonging and sense of purpose.

Flourishing requires commitment to accessibility, diversity, equity, and inclusion in all forms. A flourishing community is built on collective experience and is made stronger by our shared commitment to one another.

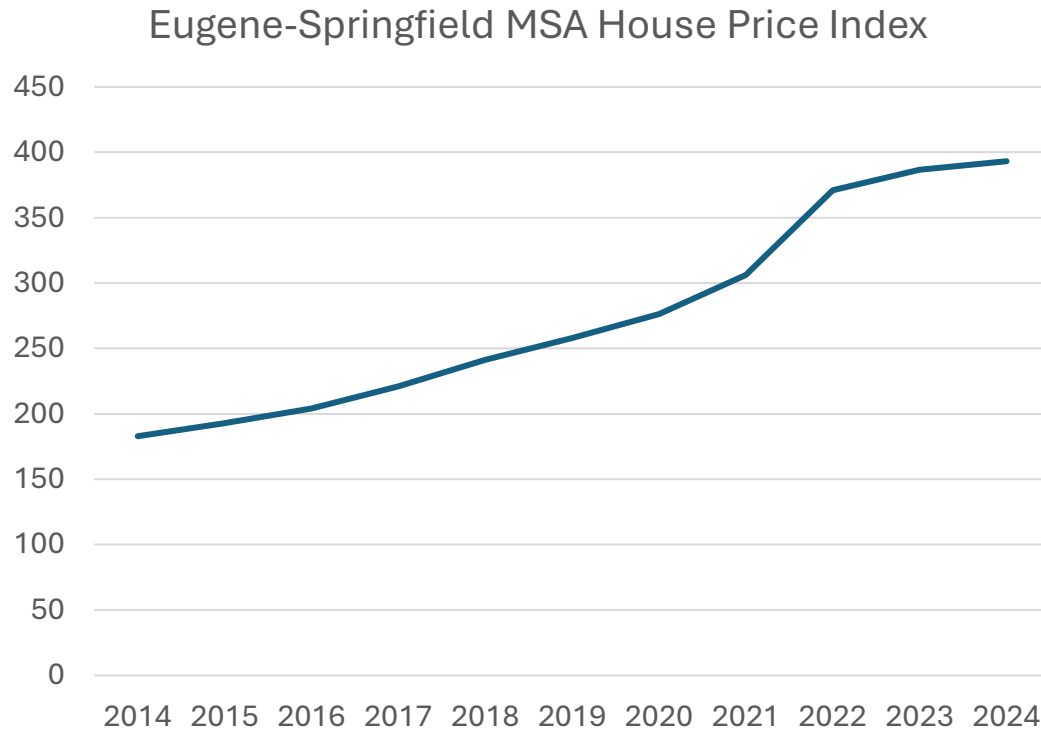
Faculty are not flourishing

“How satisfied are you with the University of Oregon as a place to work?”



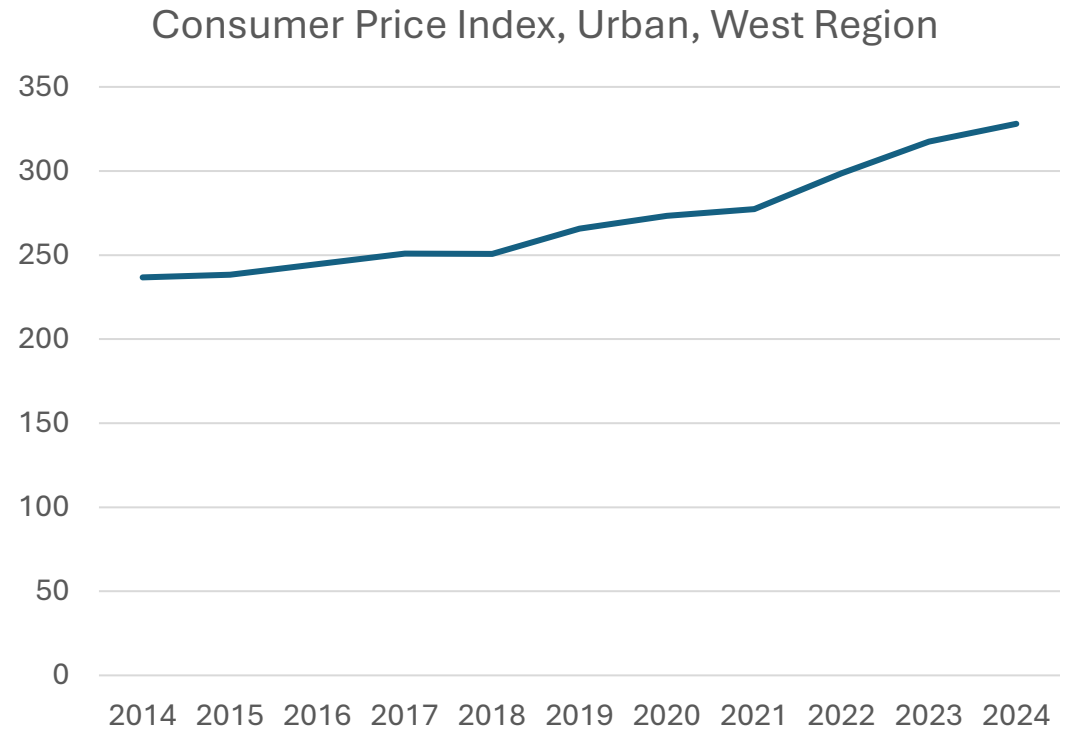
Local economic conditions have put significant pressure on faculty since our last contract

Housing costs have increased 28% since 2021



Source: US Federal Housing Finance Agency via FRED series ATNHPIUS21660Q

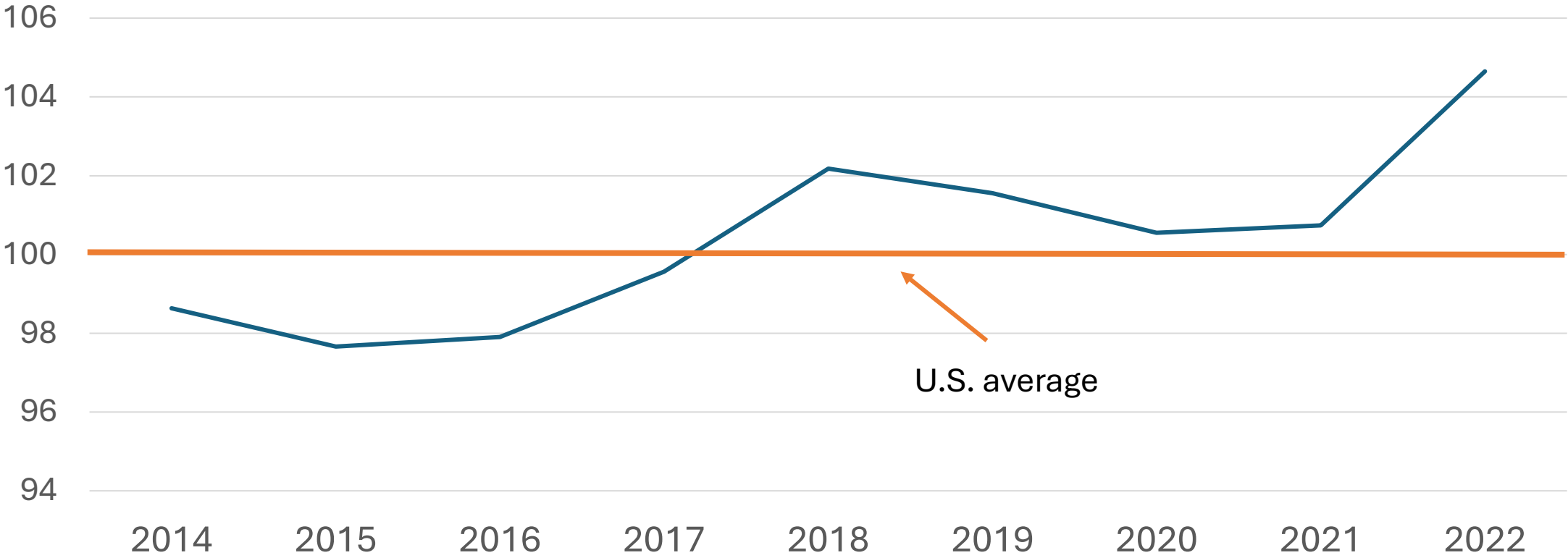
Overall price levels have increased 18% since 2021



Source: US Bureau of Labor Statistics via FRED series CUUR0400SA0

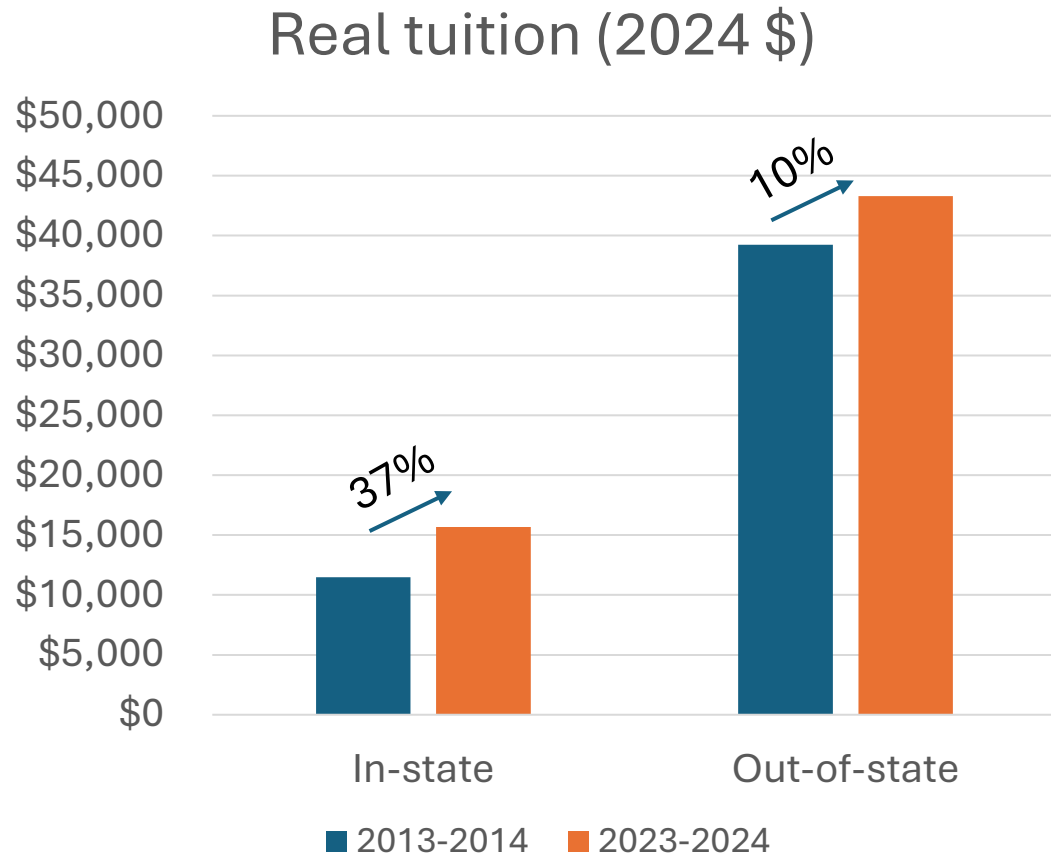
Eugene now has a higher cost-of-living than the U.S. average

MSA Price Parity Index, Eugene-Springfield MSA

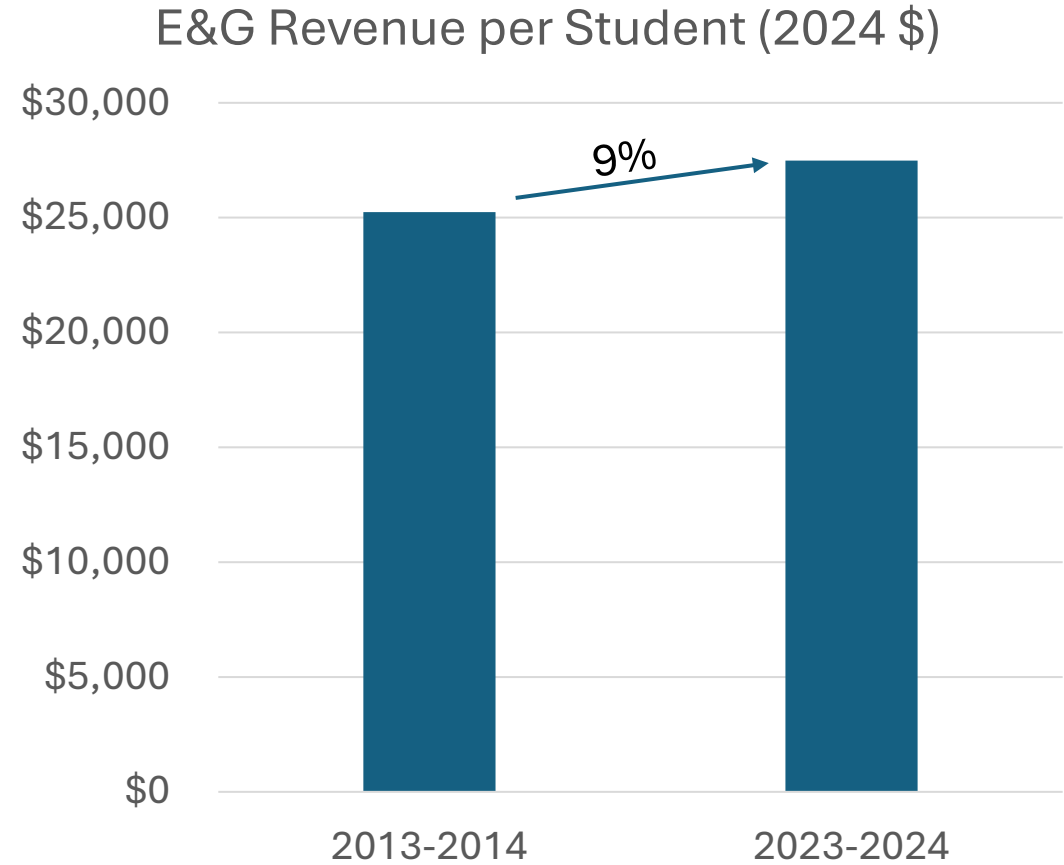


Source: U.S. Bureau of Economic Analysis, "[MARPP Regional price parities by MSA](#)"

Tuition and E&G funds per student have increased *faster than inflation* over the past decade...

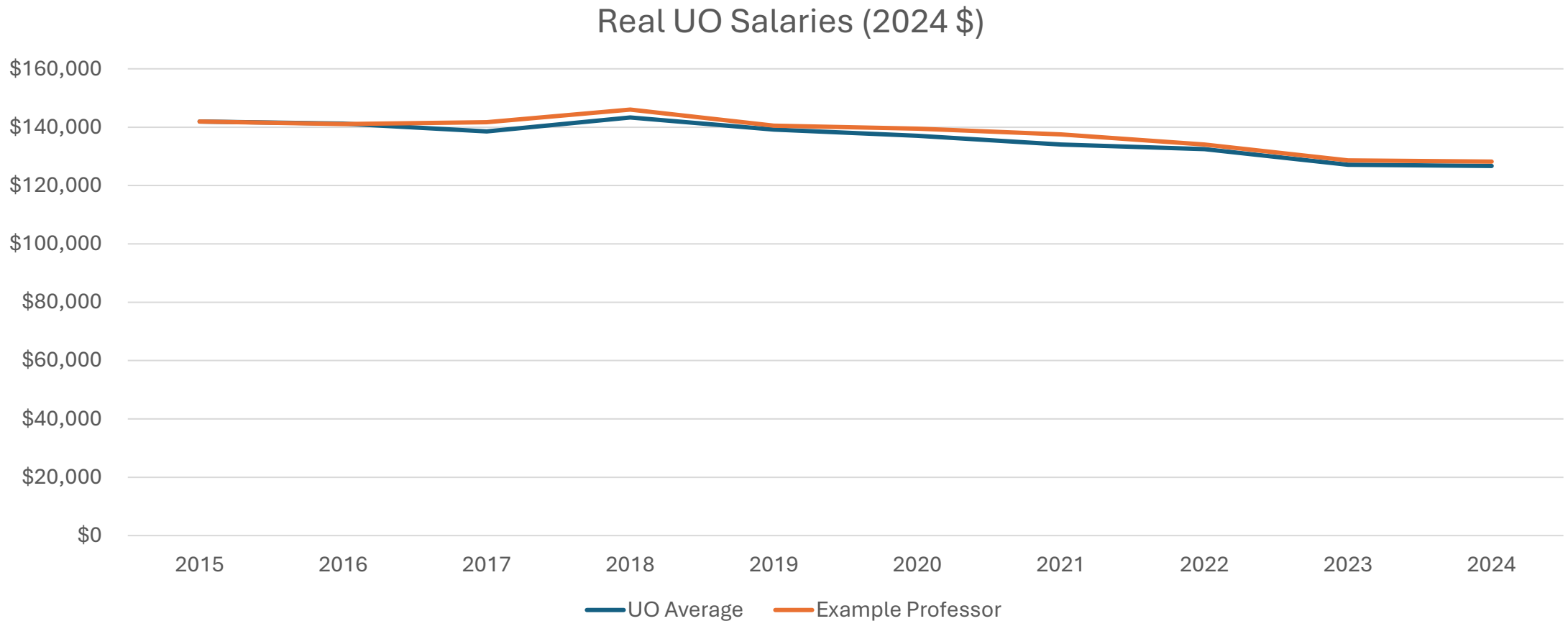


Source: IPEDS



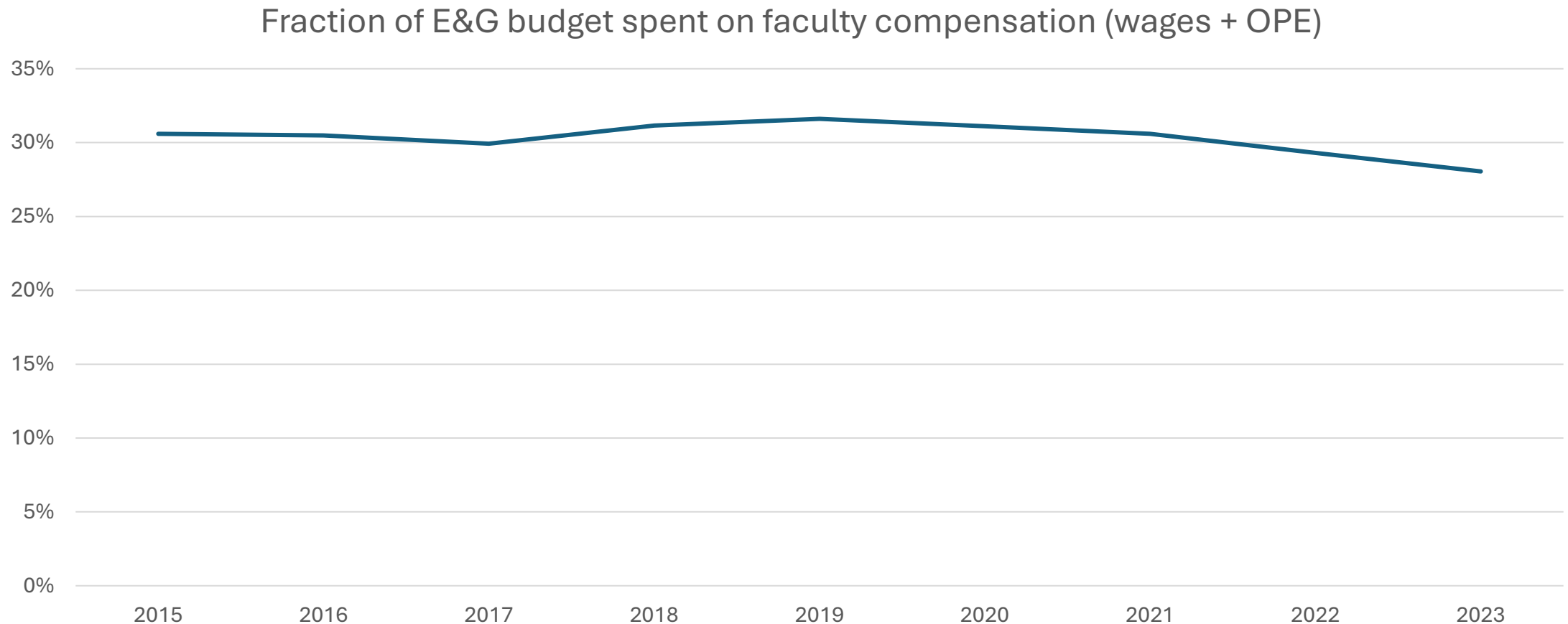
Source: UO Financial Reports and Historical Enrollment

...but real salaries for faculty have decreased 12% since 2018



Source: UO IR reports for 2015-2022, UA projections for 2023-2024. UO Average refers to IR's "All Ranks" metric. Example Professor is a fictitious faculty member hired in 2015 at the then-average salary.

Our administrators have chosen to disinvest in faculty



Source: UA analysis of UO IR and BA data. Assumes constant Career FTE, 51% OPE, all FTE paid for from E&G funds.

**Oregon does not flourish
without its faculty**

United Academics' vision for a contract that facilitates flourishing

- Competitive on all fronts, in all units
 - Salary
 - Benefits
- Addresses the damages of inflation
- Rewards our highest-performing faculty
- Recognizes that it takes a department to foster a superstar
- Acknowledges that humans are imperfect and inequities develop over time
- Decreases friction in future negotiations

Each of our proposals in Article 26 relates to elements of our vision

Vision Element	Article 26 Element
Competitive salaries	Overall raise pools
Addresses the damages of inflation	Across-the-board increases
Rewards highest performing faculty	Large merit pool
Departments foster superstars	Internal and external equity pools
Human processes are imperfect	
Decrease friction in future negotiations	Increase promotion raises
	Raises are minimums

Our analysis of comparator salaries led to an initial proposal of 9.4% raise pools each year

United Academics initial Article 26 proposal

Year	2025	2026	2027
Across-the-board	9.4%	4.4%	3.4%
Internal equity	0%	2.5%	0%
External equity	0%	2.5%	0%
Merit	0%	0%	6%

These numbers were *already lower* than where UO ended up with GTFF and SEIU *at the end of bargaining*

GTFF

- Most received a raise of at least **10%** in the first year
- Some received **31%** in the first year

SEIU

- Four raises over 19 months compounding to 15.8%
- Implies annual rate of **9.7%**

After learning that top administrators are paid slightly less than market (99%), we adjusted our proposal to match

Year	2025	2026	2027
Across-the-board	9.4%	4.4%	3.4%
Internal equity	0%	2.5%	0%
External equity	0%	2.5%	0%
Merit	0%	0%	6%



Year	2025	2026	2027
Across-the-board	9.18%	4.3%	3.18%
Internal equity	0%	2.44%	0%
External equity	0%	2.44%	0%
Merit	0%	0%	6%



In response, the administration has made a “total compensation” argument



Office of the Provost

Dear UO community,

The University of Oregon's bargaining team met with United Academics yesterday and had discussions about the university's salary proposal, including important principles that serve as a foundation for the proposal and comparator information that is helpful in contextualizing the university's offer. The university's current salary offer changes the first-year increase to an across-the-board increase rather than a merit increase, which was an expressed interest from United Academics.

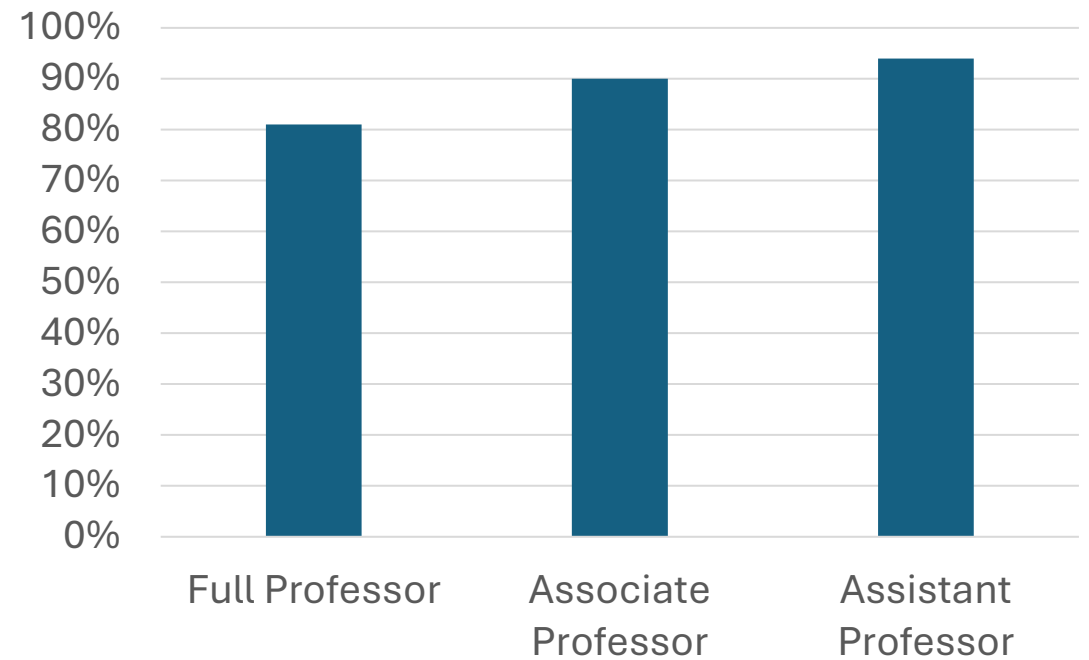
Before detailing the specific salary counteroffer, it is important to cover several key points that lay a foundation for UO proposals.

- We are fully committed to an outcome that positions UO faculty and the university for long-term success. Our core principles to advance university strategic goals, ensure operational flexibility, offer competitive total compensation, and maintain responsible financial stewardship guide our negotiations during this bargaining cycle.

The premise is non-responsive to our previous discussions

- This analysis does not explain differences by rank
 - Promoted faculty don't get differential insurance or retirement
- If faculty salaries must be adjusted for total compensation, then administrator salaries must be adjusted too
 - Gap between comparators still exists

Average UO salaries as a fraction of average AAU public salaries, by rank, 2022-2023, CAS Humanities



That said, we are interested in
moving this process along

Today, we are making an adjustment to our ask based on retirement generosity

This area is the easiest to make an “apples-to-apples” comparison

The admin's analysis used the most favorable possible interpretation of the defined contribution plan

“Most favorable” meaning admin assumed that faculty on the plan max out optional contributions

Instead, we ask the data “What contribution at UO would meet the AAU average?”

Average AAU total contribution: 14.33%

Average AAU faculty portion: 5.72%

UO Faculty equivalent contribution: 3.16%

We also include the *value* of the retirement contribution in our calculation

We start from the same place: UO salaries were 85.7% of the AAU average in 2022

Average AAU University

\$100,000 salary

University of Oregon

\$85,700 salary

We subtract the employee withholding...

Average AAU University

\$100,000 salary

- \$5,720 withholding

University of Oregon

\$85,700 salary

- \$2,712 withholding

...and add back in the total contribution

Average AAU University

\$100,000 salary

- \$5,720 withholding

+ \$14,330 retirement

University of Oregon

\$85,700 salary

- \$2,712 withholding

+ \$12,281 retirement

Result: Net pay at UO in 2022 was 87.7% of the average

Average AAU University

\$100,000 salary

- \$5,720 withholding

+ \$14,330 retirement

= \$108,610 net pay

University of Oregon

\$85,700 salary

- \$2,712 withholding

+ \$12,281 retirement

= \$95,268 net pay

$$\frac{95,268}{108,610} = 87.72\%$$

Today's proposal increases this net pay calculation to 100% of the average

- Assumptions
 - 2% raise pool in 2023, 3% raise pool in 2024
 - AAU average increases at 3.32% per year (average from 2014-2022)
 - Retirement plans stay fixed
- **Result:** need to get average base salary to 97.70% of AAU average
- To do so requires raises of 8.56% in each of the next 3 years
- We'll round down to **8.5%**

We continue to believe that ATB, equity, *and* merit raises are important components of a package

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Merit	0%	0%	6%

Today's proposal

Year	2025	2026	2027
Across-the-board	8.5%	3.62%	3.4%
Internal equity	0%	2.44%	0%
External equity	0%	2.44%	0%
Merit	0%	0%	5.1%

We want to clarify
our views on merit

United Academics is committed to academic excellence

Merit pay is an important part of that commitment

We have two categories of issues
with the proposals we have seen

First, there are implementation concerns

- We have seen merit reviews go well in some units, and go awry in others
- Fixed unit-level merit pools don't reward people for absolute performance, but for performance relative to their colleagues
 - Creates less collegiality, less collaboration, lower morale
- Merit reviews require much labor on the part of faculty, supervisors, and administrators – no guarantee that doing it more frequently would reduce that labor

Second, making merit 100% of the raise pool creates counterproductive incentives

- For faculty: If you get no merit raise, you are effectively taking a pay cut due to increases in the cost of living
 - Does not incentivize excellence, incentivizes “just good enough” and reduces morale
- For supervisors: Knowing this, many units prioritize equity and use merit raises as cost-of-living adjustments
 - Analogy to tipping at restaurants
- For administrators: Creates burden without guaranteeing raises support academic excellence

We have reason to believe that
we have shared values with
administrators on these issues

“The current mechanisms by which scholars and their work are evaluated across higher education are unsustainable and ... increasingly corrosive”

Agate, Nicky, Rebecca Kennison, Stacy Konkiel, **Christopher P. Long**, Jason Rhody, Simone Sacchi, and Penelope Weber. "The transformative power of values-enacted scholarship." *Humanities and Social Sciences Communications* 7, no. 1 (2020): 1-12.

We don't believe that this language will effectively solve these issues

Excerpt from Admin's last offer

38 ~~b.~~**Distribution:** Merit distributions should be given as a percentage of base salary,
39 irrespective of FTE in any given review period, and not as a flat dollar amount, unless
40 the unit has Office of the Provost approval for the distribution. Unit level merit policies
41 must include criteria for determining whether faculty members ~~exceed~~, meet, or do not
42 meet expectations in teaching, service, and research, as applicable, and a methodology
43 for determining when faculty meet expectations overall based on their ratings in those
44 areas. Among faculty who meet expectations for merit raises, it is expected that there
45 will be different levels of accomplishment in teaching, scholarship and creative |
46 activities, and service that will correspond to different merit ratings in those categories
47 and overall.

48

We remain interested in iterating on merit reviews as part of this package

- Guiding ideas
 - Oversight from both Admin and UA
 - Merit pay on top of cost-of-living adjustments
 - Merit processes should reflect Senate work on visible and invisible service
 - If everyone has a good year, everyone should get good raises
- **We are most interested in additional merit differentiation once *everyone* is brought up to market wages**

A few other things

We are reasserting improvements to promotion raises to reduce friction in future negotiations

- Salary data by rank shows equity problem has accumulated over time
- UA agreed to existing language *trusting* some colleges would offer higher raises, as was practice
- Since then, all colleges have “raced to the bottom” for all promotion cases

Excerpt from UA’s current proposal

Promotion Increases. All bargaining unit faculty members who achieve a promotion in rank will receive an increase of at least ~~8%~~ 10% of base salary.

Sixth-Year Post-Tenure Review Increases. Full professors who successfully complete (meets expectations in all areas or exceeds expectations in all areas) ~~their first~~ a major sixth-year post-tenure review after promotion to full professor will receive an increase to base salary of at least ~~4%~~ 6% for meeting expectations in all areas or at least ~~8%~~ 10% for exceeding expectations in all areas. ~~Full professors who successfully complete subsequent major reviews will receive an increase of at least 4% of base salary.~~

Career Continuous Employment Review Increases. Career faculty at the highest rank in their category or in a single rank category who successfully complete (meets or exceeds expectations in all areas) ~~their first~~ a continuous employment review will receive an increase to base salary of at least ~~4%~~ 6% for meeting expectations in all areas or at least ~~8%~~ 10% for exceeding expectations in all areas. ~~Career faculty who successfully complete subsequent continuous employment reviews will receive an increase of at least 4% of base salary.~~

We are reasserting language that raises are minimums

- We still hear Admin assertions that United Academics prevents Admin from offering salary increases for retention, at promotion, or for merit
- **United Academics has never stood, and will never stand, in the way of raises**

Excerpt from United Academics' proposal

Increases are minimums. All increases specified in this Section are minimum increases. The University may choose to provide additional increases to base salary upon promotion and/or reviews.

We reject Admin's demand that faculty pore over their pay stubs every month

Excerpt from Admin's last offer

Section 7. Payment of Salary. Bargaining unit faculty members may opt to be paid in 12 equal monthly installments consistent with IRS regulations. Salary shall be paid by direct deposit except in the case of emergency or unless another method of payment is required by law. **Bargaining unit faculty members are responsible for checking their pay stub each pay period and to report any discrepancies (e.g., overpayment, underpayment, deduction errors, etc.) to the University in a timely manner.**

- It is HR and Payroll's responsibility to ensure faculty are paid **on time and in full**
- Faculty should be able to *trust* that their pay is being handled correctly

Zooming back out...

Summarizing these negotiations so far...

United Academics Original Ask

Year	2025	2026	2027
Across-the-board	9.4%	4.4%	3.4%
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United Academics Current Ask

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UO Administration Original Offer

Year	2025	2026	2027
Across-the-board	0%	0%	0%
Internal equity	0%	0%	0%
External equity	0%	0%	0%
Merit	3%	3%	3%



UO Administration Current Offer

Year	2025	2026	2027
Across-the-board	3%	0%	0%
Internal equity	0%	0%	0%
External equity	0%	0%	0%
Merit	0%	3%	3%

...and don't worry, we haven't forgotten about Postdocs or Pro Tems!

United Academics Original Ask

**Postdocs and Pro Tems:
Same as everyone else
(subject to federal rules)**



United Academics Current Ask

**Postdocs and Pro Tems:
Same as everyone else
(subject to federal rules)**

UO Administration Original Offer

**Pro Tems: Nothing
Postdocs: "An increase" at renewal**



UO Administration Current Offer

**Pro Tems: 2% ATB per year
Postdocs: "At least 0.5%" per renewal**

We remain open to discussions
and modifications to *every part of
our proposal*

We don't yet understand how admin's principles translate into concrete proposals

Principles in OtP e-mail	Article 26 proposals
Advance university strategic goals	?
Ensure operational flexibility	?
Offer competitive total compensation	?
Maintain responsible financial stewardship	?

Again, we have reason to believe
we have shared values with
administrators

“The responsibility for making change seems to belong to everyone and to no one... [which] results in a foundering machine aware of its defects but unwilling and unable to fix them.”

Agate, Nicky, **Christopher P. Long**, B. Russell, Rebecca Kennison, Penelope Weber, Simone Sacchi, Jason Rhody, and Bonnie Thornton Dill. "Walking the Talk: Toward a Values-Aligned Academy." *HuMetricsHSS: Human Metrics Initiative* (2022).

Faculty are in a *uniquely difficult* moment.

We remain hopeful that admin is ready to **walk the talk**.